



PROPOSAL TO CHANGE THE PLF PRIMARY PROGRAM MISSION STATEMENT AND GOALS; PLF EXCESS PLAN POLICIES

The Professional Liability Fund Board of Directors (BOD) is proposing changes to the PLF's Primary Program mission statement and to the PLF Excess Program policies. The changes are related.

The first proposed change to the mission statement makes explicit the primary purpose of the PLF is to provide basic mandatory coverage and, in doing so, there is a public benefit. This proposed change updates the mission statement in a manner that is consistent with the policy clarifications made by the PLF and OSB several years ago. The second proposed change adds language stating that the PLF provides additional coverage and services that support the primary program.

The change to the Excess Plan policies is proposed because currently the policies restrict the use of PLF Excess Program surplus to Excess Program purposes. The BOD believes that this policy would be unenforceable in the event of a catastrophic claim on PLF reserves because all funds held by the PLF, including the Excess Program funds, would be available to outside creditors. The proposed change would allow the PLF Excess Program to maintain sufficient surplus funds to fulfill the purposes for which the surplus was established, but would not require more. (Excess Program surplus was to insure against the failure of a PLF Excess Program reinsurer, to provide a fund to respond to an unstable reinsurance mar-

ket, and to accept some Excess Program risk if that was in the best interest of Oregon lawyers.) The change would make surplus PLF Excess Program funds available for any purpose consistent with other PLF policies and procedures. The proposed change will not change the PLF's current practice of accounting for the PLF Excess Program separately from the PLF Primary Program, with no funds from the Primary Program going to support the Excess Program.

The BOD believes that the proposed changes accomplish several goals. They better reflect the mission of the PLF, they clarify the relationship between the Primary Program and the Excess Program, and, by removing the policy requiring the segregation of Excess Program surplus, they allow the PLF to use its resources more efficiently.

The proposed changes are posted on the PLF website, www.osbplf.org, at the News link and are also available by contacting the PLF. If you would like to give us your opinion on these changes – or have questions – contact Ira Zarov, PLF CEO, at 503-639-6911/1-800-452-1639 or iraz@osbplf.org. After comments are evaluated the matter will go to the PLF BOD for its approval and then to the OSB Board of Governors for final approval.

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